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INFO RHMFISS/CDR USSOCOM MACDILL AFB FL//SCJ2//
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STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,
WHA/EPSC
CDR USSOCOM FOR J-2 IAD/LAMA

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E.O. 12958: N/A

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SUBJECT: MEDIA REACTION; LULA TO THE US; ARGENTINE DEBT HOLDOUTS;
IRAQ; 03/30/07; BUENOS AIRES

1. SUMMARY STATEMENT

Leading international stories today include Brazilian President Lula's upcoming trip to the US to meet with President Bush; a letter from the leaders of the House of Representatives Western Hemisphere Subcommittee to Treasury Secretary Paulson urging action by the USG to defend the rights of Argentine debt holdouts; and the US Senate setting a deadline for US troop withdrawal.

2. OPINION PIECES

- "Lula travels to the US to discuss ethanol among other issues"

Carlos Turdera, Sao Paulo-based correspondent for daily-of-record "La Nacion," writes (03/30) "For the second time in less than one month, Brazilian President Lula will meet with his US counterpart, George W. Bush, tomorrow at Camp David... And this time, according to Brazilian FM Celso Amorim, the common agenda 'will not include taboo issues' and 'will not be focused on ethanol,' which was the prevailing issue during their March 9 meeting in Sao Paulo.

"Now, three months after his presidential re-inauguration, Lula will start tomorrow his second term in office with an ambitious move in Camp David, where he will talk about the four pillars of his new foreign policy - unblocking the Doha Round, creating a world bio-fuels market, working on Latin America's integration, and adapting the UN to the 'geopolitics of the 21st century,' this last issue being related to Brazil's aspiration to obtain a permanent seat at the UN Security Council.

"Camp David, where no Latin American president has been received after the visit of Mexican Carlos Salinas de Gortari in 1991, will be the scenario in which Bush will deal with Brazil's concerns linked to agricultural issues. According to US Assistant Secretary for Western Hemisphere Affairs Thomas Shannon, Bush does not want to 'ethanolize' his ties to Brasilia.

"While a Republican senator proposed to remove tariffs on ethanol imports, his initiative will not have much future due to the US lobby in favor of corn alcohol interests... Therefore, Bush's maneuvering ability will be little. His power to sign deals will expire today, and he will have to report to Capitol Hill on the signature of any deal."

- "The US Congress pressures (Argentina) about holdout bondholders"

Ana Baron, Washington-based correspondent for leading "Clarín," comments (03/30) "For the first time the US Congress has started to officially pressure Argentina in favor of holdout bondholders (the ones who were left out in the country's debt restructuring process).

"In a letter addressed to US Treasury Secretary Henry Paulson, the influential president of the Western Hemisphere Subcommittee, Democratic Representative Elio Engel, and its VP, Republican Dan Burton, expressed their 'increasing concern over the fact that Argentina continues refusing to pay at least a small amount on the 10 billion dollars it owes to American investors after the biggest default in history.'

"... The fact that the letter is signed by Engel and Burton, this is to say by a Democrat and a Republican, is a proof that concern over this issue is bipartisan.

"In the letter, the two leaders of the Subcommittee expressed their concern that Argentina's moves could set a dangerous precedent...

"The US Representatives' letter proves that the US Congress' lobby, American Task Force Argentina (ATFA), which is stepping up pressure on Capitol Hill in favor of holdout bondholders and vulture funds, has started to have some impact although it was repeatedly underestimated by Argentine government officials...

"This lobby was favored by the negative impact on Washington of Chavez's anti-Bush rally in Argentina."

- "The US Senate set a deadline for troops in Iraq"

Leonardo Mindez, on special assignment in leading "Clarín," penned (03/30) "Tension between the White House and Capitol Hill, which is dominated by the Democratic opposition, was heightened yesterday when the US Senate half approved its draft bill for the 122-billion-dollar emergency funding of the war in Iraq and Afghanistan while pointing out that the troop withdrawal should start within four months and end on March 31, 2008.

"... However, US President George W. Bush is enraged - he urgently wants some legislation granting more funds for troops under no conditions whatsoever.

"... For the White House, the dispute over the war in Iraq is one of many open fronts. Yesterday, Attorney General Alberto Gonzales was forced one more step towards 'the abyss' for having fired eight US attorneys."

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